Labour Market Notes

Labour market continues to weaken

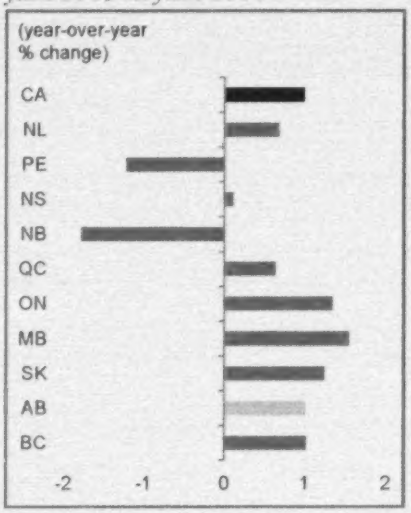
Alberta

- June employment declined. Alberta employment fell by 5,000 jobs in June, following May's loss of 6,400 jobs.
- Self-employment suffers largest loss. Self-employment fell by 13,500 in June, while the private sector lost 2,100 jobs. Losses were partly offset by a 10,500 in the public sector. Both full-time (-2,800) and part-time (-2,200) employment fell.
- Broad-based goods sector job losses. There were employment losses in the goods sectors (-9,300), led by agriculture (-4,200), utilities (-1,800), natural resources (-1,700) and construction (-1,600). Manufacturing jobs were essentially unchanged. Service sector employment gains of 4,300 partially offset the loss in the goods sector. Gains were modest but broad-based across most industries, led by trade (+2,200). Other services, which includes repair and maintenance, and personal and laundry services, however, did experience a loss of 4,300 jobs.
- Unemployment rate edges down in June. Alberta's unemployment rate decreased by 0.1 percentage point to 5.7% in June. The slight decline was due to 7,000 people leaving the labour force. The unemployment rate is 1.2 percentage points higher than January.
- Employment gains slowing. June's employment level was 22,800 higher than a year prior, but growth has been slowing since January 2015. Year-over-year (y/y) employment growth currently sits at 1.0%, in line with the national average.
- Earnings growth weakens. Average weekly earnings increased to $1,162 in April. Year-over-year growth in earnings eased to 1.6%. Earnings growth in the service sector outpaced the goods sector for the fifth straight month.

Canada

- Employment unchanged. Canadian employment was largely unchanged, down only 6,400 in June. The majority of provinces did not experience large movements in employment levels. Quebec, however, did experience a loss of 33,300 jobs, and British Columbia (+15,400) and Ontario (+14,000) posted significant gains. Canada has added 176,100 jobs since June 2014, a 1.0% y/y gain.
- Unemployment rate unchanged. The Canadian unemployment rate held steady at 6.8% for the fifth straight month.
- Earnings growth maintains momentum. Canadian average weekly earnings increased 0.2% from the previous month to $955 in April. Year-over-year growth was 2.5%, mostly in line with growth in the previous two months.

Employment Growth by Province, June 2015 vs. June 2014



Source: Statistics Canada

Alberta Labour Market Indicators

Indicator	Latest*
Employment	2,392,500
month-over-month change	-5,000
year-over-year % change	1.0%
Alberta Unemployment Rate (UR)	5.7%
Edmonton UR**	5.9%
Calgary UR**	5.9%
Participation Rate	72.8%
Average Weekly Earnings (AWE)	$1,162.12
year-over-year % change	1.6%
Average Hourly Wage	$28.91
year-over-year % change	3.0%
Job Vacancy Rate***	1.8%

Source: Statistics Canada

* All data is from the Labour Force Survey for June 2015, except AWE which is the April 2015 Survey of Employment, Payrolls and Hours, and the job vacancy rate is for March 2015.

** This indicator is calculated as a three-month moving average and is seasonally adjusted.

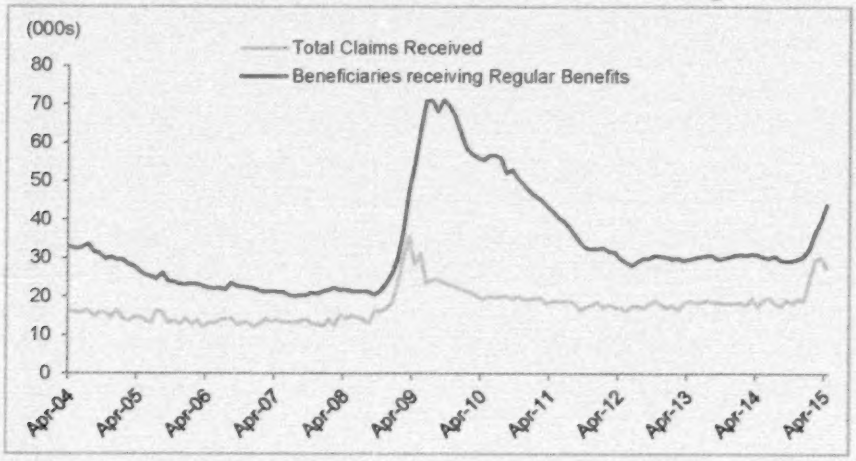
*** This indicator is calculated as a three-month moving average and is not seasonally adjusted.

Uptick in Employment Insurance

The Employment Insurance (EI) program "offers temporary financial support to eligible Canadians", such as those recently laid-off, sick, caring for a newborn or adopted child, etc. This month's Labour InSight examines the largest category of the EI program, those recently laid-off in Alberta.

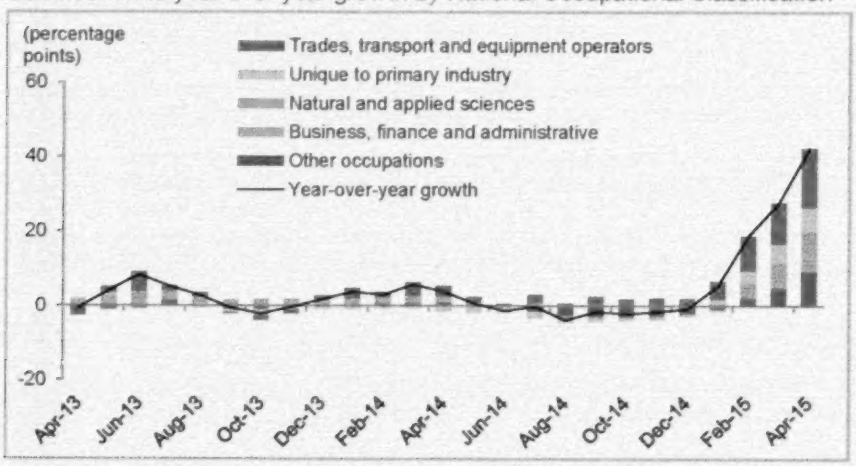
Low oil prices and a slowdown in economic activity have led to an increase in layoffs in Alberta. As a result, initial EI claims have risen from their August 2014 low. When oil prices fell below US$50 per barrel between December and January, the total number of EI claims received rose nearly 30% (Chart 1). The number of claims has risen as high as 30,240 in March 2015, just over 5,000 claims short of the record in March 2009. Renewal claims have also been trending up since August 2014, suggesting it is becoming more difficult for the previously laid-off to find new work.

Chart 1: EI claims push up beneficiaries receiving regular benefits
Employment Insurance total claims received & beneficiaries with regular benefits



Source: Statistics Canada

Chart 2: Energy-related occupations being hit hardest by lay-offs
Contribution to year-over-year growth by National Occupational Classification



Source: Statistics Canada

More claims & beneficiaries

The jump in claims has led to a steep increase in the number of people on EI, or EI beneficiaries. There were 43,930 people on EI in Alberta as of April 2015, an increase of 42% over the previous year. This is still substantially lower than the peak of 71,100 beneficiaries during the previous 2009 downturn. All occupations are generally experiencing increases in beneficiaries, however, the largest are from occupations closely linked to the energy industry. Trades, transport and equipment operators are contributing the most to the increase in EI beneficiaries, followed by occupations unique to primary industry, and natural and applied science occupations (Chart 2).

Work-Sharing starts up again

In addition to the EI program, Service Canada also runs the Work-Sharing program, which is "designed to help employers and employees avoid lay-offs during temporary downturns" by providing income support to employees with temporarily reduced hours. This program has seen uptake in Alberta, with Alberta's share of the national program increasing. Over the first four months of 2015, the number of people in this program increased from zero to 830, 24% of the national program. During the last downturn, this program peaked at 5,460 people in September 2009 and did not return to its normal lows until September 2014.

Have a question or idea for Labour InSight? Send us an *email*.

Contact

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